

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Investigation into the Revenue
Requirement of Roseville Telephone Company
Pursuant to Decision 00-11-039

Investigation 01-04-026
(Filed April 19, 2001)

SCOPING MEMO AND RULING OF ASSIGNED COMMISSIONER

This ruling establishes the category, scope, and schedule of this proceeding in accordance with Article 2.5 of the Commission's Rules of Practice and Procedure.

1. Background

This proceeding was initiated to investigate the expense levels and revenue requirement of Roseville Telephone Company (Roseville) to determine the appropriate source of permanent funding to replace the \$11.5 million, Extended Area Service payment which Roseville previously received from Pacific Bell, and which, pursuant to Decision (D.) 00-11-039, Roseville will receive from the California High Cost Fund-B (CHCF-B) on a temporary basis during the pendency of this proceeding.

2. Scope

The scope identified in this ruling takes into account issues raised in the investigation, in Roseville's September 17, 2001 filing, and at the Prehearing Conference (PHC).

The following are determined to be within the scope of this proceeding:

An in-depth examination of Roseville's current revenue requirement and expense levels that will enable the Commission to determine whether the \$11.5 million should be obtained from Roseville's ratepayers, Roseville's shareholders, or a combination of the two.

Roseville should provide its adjusted intrastate Results of Operations and corresponding intrastate revenue requirement. The Rate Design and Results of Operations proposals should clearly indicate the incremental treatment¹ of and a supporting rationale for the following items:

1. Rate increases for the recovery of all or part the \$11.5 million from ratepayers or recovery from shareholders.
2. Rate decreases to account for the \$400,000 rate reduction to offset Roseville's annual draws from the CHCF-B.²
3. All other pending surcharges and surcredits with an explanation of how they are to be incorporated into rates.

¹ Show adjustments for recovery of \$11.5 million, Z factors, CHCF-B rebalancing, etc. separately.

² The \$400,000 rate rebalancing is to be included in the scope of this proceeding if Roseville files a Petition to Modify D.98-09-039, and the Commission approves the Petition. Ordering Paragraph 17 of that decision requires that such filing be made by application so Commission action is required to include that requirement within the scope of this proceeding.

3. Schedule

The following timetable is adopted for this proceeding:

Office of Ratepayer Advocates' (ORA) audit performed	December 2001-March 2002
ORA's audit report released	April 30, 2002
Opening testimony	June 28, 2002
Notice mailed to customers	July 2002
Rebuttal testimony	August 16, 2001
Second PHC	August 29, 2002
Evidentiary hearings	October 7 – 18, 2002
Opening briefs	November 22, 2002
Reply briefs and submission date	December 20, 2002
Proposed Decision issued	March 20, 2003

4. Category of Proceeding

This ruling confirms the Commission's determination in the OII that the category for this proceeding is ratesetting. Any party could have appealed the categorization pursuant to Rule 6.4, but no appeal was filed prior to the PHC. The *ex parte* rules as set forth in Rule 7 apply to this proceeding.

5. Notice to customers

Roseville shall provide notice to its ratepayers of the possibility of a rate increase as a result of this proceeding. Such notice shall be reviewed and approved by the Public Advisor.

6. Principal Hearing Officer and Final Oral Argument

Pursuant to Pub. Util. Code § 1701.3, Administrative Law Judge Karen Jones is designated as the principal hearing officer in this proceeding.

Pursuant to Rule 8(d), parties requesting final oral argument before the Commission should include that request in their opening brief, filed after hearing.

7. Service List and Electronic Distribution of Pleadings

The official service list for this proceeding is attached to this ruling. A current service list for this proceeding is also available on the Commission's web page, www.cpuc.ca.gov. Choose "Service Lists" on the "Quick Links" bar. The service list for this proceeding can be located in the "Index of Service Lists" by scrolling to the investigation number.

In addition to the required service (per Rule 2.3), all parties are encouraged to distribute all pleadings and testimony in electronic form to those parties that provided an electronic mail address to the Commission. The electronic addresses of all parties to the proceeding can be found in the comma-delimited service list file. Choose the application number and click on "Download Comma-delimited File."

IT IS RULED that:

1. The scope of this proceeding is set forth in Section 2 of this ruling.
2. The timetable for this proceeding is set forth in Section 3 of this ruling.
3. This ruling confirms the Commission's determination that the category for this proceeding is ratesetting.
4. The *ex parte* rules as set forth in Rule 7(c) of the Commission's Rules of Practice and Procedure and Pub. Util. Code § 1701.3(c) apply to this investigation.

5. Administrative Law Judge Jones is the principal hearing officer in this proceeding.

6. The official service list is attached to this ruling. Parties should serve all filings on parties listed on the service list. In addition, parties are encouraged to distribute all pleadings and testimony in electronic form to those parties that provided an electronic mail address to the Commission.

7. Roseville Telephone Company shall notify customers of the possibility of a rate increase during July 2002.

Dated November 30, 2001, at San Francisco, California.

/s/ CARL W. WOOD

Carl W Wood
Assigned Commissioner

Appendix A Service List

***** **APPEARANCES** *****

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CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Scoping Memo and Ruling of Assigned Commissioner on all parties of record in this proceeding or their attorneys of record.

Dated November 30, 2001, at San Francisco, California.

/s/ JEANNIE CHANG

Jeannie Chang

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.